# REPORT

OF

# THE REVIEW COMMITTEE

नवामेब अवने ON

# INDIAN INSTITUTES OF MANAGEMENT

**JULY 1992** 

# Contents

1.0	Introduction
2.0	Terms of Reference
2.1	Members
2.2	Methodology
3.0	Historical Beginnings
4.0	Mission of IIMs
5.0	Review
5.1	Overall
5.2	Public Policy and Management Efforts
6.0	Future Directions
6.1	Teaching Materials, Research and Consultancy
6.2	Strengthening Public Policy and Public Management
6.3	Governance
7.0	Finance
7.1	Dependence of IIMs on Government Grants
7.2	Measures to Limit Annual Maintenance Cost
7.3	Steps for Augmenting Internal Resources
7.4	Educational Loans/Scholarship
7.5	Towards Financial Self-reliance
7.6	Government Grants for Priority Sectors
8.0	Recommendations
8.1	Mission
8.2	Teaching Materials, Research and Consultancy
8.3	Public Policy and Management Systems
8.4	Governance
8.5	Finance
Appendix 1: Terms of reference and members of the First Review Committee.	

Appendix 2: Major Recommendations of the Nanda Committee Report

#### 1.0 Introduction

The Government of India's first Review Committee was appointed in November 1979 under the Chairmanship of Shri H.P. Nanda, to review the working of the three Indian Institutes of Management at Ahmedabad, Calcutta and Bangalore, to make recommendations for the promotion and development of management education in India. The terms of reference and members of the first Review Committee are given in Appendix 1. The Nanda Committee report, submitted in December 1981, made several recommendations for strengthening the various activities of IIMs. It also recommended the setting up of two additional IIMs, and in terms of future directions, suggested spreading professional management especially to public utilities and to international management. Major recommendations of the Nanda Committee are summarised in Appendix 2.

A decade later, in May 1991, the Government of India, Ministry of Human Resource Development, appointed a second Review Committee, under the Chairmanship of Dr.V. Kurien, to look into the direction and functioning of the four Institutes of Management - the Institute at Lucknow was added in 1984. The Government Resolution appointing the Review Committee-mentioned that, "While these Institutes have very considerable achievements to their credit, it is often said that there is scope for a better balance in their programmes."

The Resolution further stated, "The National Policy on Education, 1986 has indicated the need for systematic development of management education in general. It recognised IIMs as prime-movers of development of management education. In the area of management education, the policy indicates the need to remove mis-matches of trained personnel with job profiles and spells out the expectations from the IIMs to cater to our developmental needs, including those of the society and the disadvantaged sections."

The Resolution recognises the contribution of the Institutes of Management to management education in the country, indicates the need to remove mis-matches between trained personnel and available jobs and finally hopes that it can cater to the country's development needs and the disadvantaged sectors of society.

Taking into account the above mentioned concerns, the terms of reference for the Kurien Committee were spelt out as:

#### 2.0 Terms of Reference

- (i) To review the present status of the IIMs in fulfillment of their objectives as centres of excellence in management education and research.
- (ii) To assess the overall impact of the institutes on the training of high level management personnel for the development of the country.
- (iii) To make recommendations regarding reorganisation of IIMs with a view to better serving the country's economic and social development needs.
- (iv) To suggest measures for making the Institutes more cost effective and less dependent on government grants.
- (v) To review the management structure of the IIMs and to suggest necessary changes therein and other measures for realising the recommendations of the Committee.
- (vi) To report on any other aspects that are relevant to overall effective and efficient functioning of these Institutes.

#### 2.1 Members

The Review Committee consisted of:

Dr. V. Kurien Chairman Chairman National Dairy Development Board Anand. 2. Shri Satyam G. Pitroda Member Advisor to the Prime Minister on Technology Missions Prime Minister's Office South Block, New Delhi Member 3. Dr. Kamla Chowdhry Chairperson All India Board of Management Education AICTE, New Delhi. Member 4. Shri B.N. Yugandhar Director Lal Bahadur Shastri National Academy of Administration Mussoorie. Member 5. Dr. M. Santappa Former Vice-Chancellor Madras University Madras. Shri S.M. Datta Member 6. Chairman, Hindustan Lever Ltd., 165/166, Backbay Reclamation Bombay. Member 7. Shri Sanjit Roy Social Work & Research Centre Village Tilonia, Dist. Ajmer Member 8. Professor V.S. Vyas Director Institute of Development Studies Jaipur. Member 9. Professor K.R.S. Murthy Director Indian Institute of Management Bangalore.

Shri M.P.M. Kutty
 Director
 Department of Education
 Ministry of Human Resource Development
 Government of India
 New Delhi

#### 2.2 Methodology

In the first meeting of the Review Committee, held on July 5, 1991 in New Delhi, the members agreed that large amount of paper work be avoided; that visits to each of the four IIMs be made and that meetings and discussions be held with available Board Members, Faculty and students. Additional meetings in Delhi and Anand were arranged where the Review Committee members reflected on information received, on discussions held, argued and clarified points of view, and with much debate and discussion tried to address the concerns raised by the Government:

It was agreed early in the discussions that instead of detailed reviews on every aspect of IIMs functioning, the Committee will focus on the following broad areas for critical review and recommendations to the government:

- 1. Mission/Mandate of IIM's as stated by the Government of India.
- 2. Overall assessment of achieving its mandate.
- 3. Efforts to deal with developmental concerns with special focus on their strategies to deal with public policy and public management.
- 4. Finance, with special attention to making the IIMs more self sufficient and less dependent on government.
- 5. Governance with reference to issues of autonomy, accountability, search for future directions and excellence.

Broadly, the terms of reference (i) and (ii) are covered by the review of mission and overall achievements; (iii) by reviewing public policy and management; (iv) by finance; and (v) and (vi) by governance.

The Committee had stimulating discussions with members of the IIMs, and also among themselves. The Review Committee wishes to acknowledge the time and energy the members of Institutes devoted to educate and familiarise us with the problems of running a management institute, of pursuing excellence and of trying to break away from the traditional mould of business management to management education of greater relevance to Indian needs - their successes and failures, and the reasons thereof. We are grateful to them for their openness and candour, for sharing with us their vision of the future of IIMs and their concern for maintaining excellence in a situation of diminishing resources.

#### 3.0 Historical Beginnings

The Committee felt that an appreciation of the historical beginnings of management education in India would be useful for a better understanding of the original mission of IIMs and their achievements. Accordingly, the historical beginnings of IIMs has been briefly discussed below:

On the eve of independence, Gandhiji, wrote to Pandit Nehru saying,

"I am convinced that if India is to attain true freedom, and through India the world also, then sooner or later the fact must be recognised that people will have to live in villages, not in towns; in huts, not in palaces. Crores of people will never be able to live at peace with each other in towns and palaces. They will then have no recourse but to resort to violence and untruth".

Nehru, on the other hand, dreamt of a modern India in terms of industrialisation, steel and fertilizer plants, dams and hydel power, modern agriculture and a scientific temper in the country. He countered, "We cannot stop the river of change or cut ourselves adrift from it and psychologically, we who have eaten the apple of Eden cannot forget the taste and go back to primitiveness."

Nehru strongly believed that it was not possible to be really independent unless India became a modern technically advanced country.

Under Nehru's leadership, India invested in large capital intensive projects of steel, fertilizers, machine tools, hydro-projects, etc. for the rapid industrialization of the country. Scientific institutions were established and modern technology and management were strongly supported by setting up through the Government of India and outside assistance, the Indian Institutes of Technology and, somewhat later, the Indian Institutes of Management. It was generally believed that technology transfer from the outside world was needed and desirable in virtually every sector of the economy, and that good models existed abroad suitable for replication in India.

Public Policy and Public Administration were also supported by establishing the Indian Institute of Public Administration, and small scale industries by establishing the Small Industries and Entreprenuership Training Institute (SIET) at Hyderabad. Later most of the states established their own Institutes of Public Administration for training public servants and also their own centres for training 'managers' in small scale industries and entreprenuership.

The rapid growth of industrial and commercial enterprises in the 50s', both in the private and public sectors, produced a demand for more and better trained managers. At that time most large scale private sector industrial houses were either family concerns or subsidiaries of multinationals with foreign managers.

The public sector which was given the 'commanding heights' in the economy was largely manned by IAS officers from government. India had inherited from the colonial period an administrative structure designed for law and order, tax collection and general administration, not for the requirements of rapid industrialisation and growth of a modern state. Forty years later, it is realised that in general, public sector enterprises, managed and controlled by government, have been a burden on the economy, and in fact have contributed to an inefficient and capital intensive investment strategy. In the pursuit of speedy modernisation and industrialisation, rural development, health, education and welfare and their management did not receive the attention they deserved.

In the 50s' management development took place largely through short-term management programmes for senior administrators and managers, run jointly by the Sloan School of Management, MIT, and the All India Management Association (AIMA) during summer in Kashmir. The government also sent groups of industrialists and senior civil servants to business and management education centres in Europe and USA to provide them the necessary familiarity with different approaches to management education. For the three steel plants being built in the public sector in that period with the assistance of the then Soviet Union, the Fed-

eral Republic of Germany and Britain, respectively, large scale efforts of training abroad were organised. As many as 500 Indian engineers were sent abroad to private American steel plants to learn management and production methods!

With plans for rapid growth and industrialisation, the need for technical and management education was strongly advocated and supported by government. Under the Chairmanship of Sir Ramaswamy Mudaliar, a distinguished industrialist, a Committee was appointed during the Second Five Year Plan to estimate the managerial requirements of future expansion of industrial and commercial sectors and suggest necessary action to be taken. The Mudaliar Committee proposed the setting up of special training facilities, outside the Universities for greater flexibility and autonomy and for quickening the pace of management training and education in India.

In 1961, the Government of India, set up the two Indian Institutes of Management - one in Ahmedabad and the other in Calcutta. Support came largely from the Central Government. The State Governments provided the land for the campus, and it was hoped that industry would contribute to the buildings and other infrastructure required. The Ford Foundation financed the collaboration of IIM-Ahmedabad with the Harvard Business School and of IIM-Calcutta with the Sloan School of Management, MIT, as also faculty development and library resources. Both the IIMs started with executive development programmes, and only in 1964 started the two-year Post Graduate Programme (PGP). Some years later, both started the Fellow Programme in Management, the equivalent of a doctoral programme. Effective leadership was critical to the early development of these Institutes. The founding Directors had a free hand in recruiting staff and organising their curriculum. In giving the programmes their early vision and direction they were not constrained. They worked in tandem with government who shared their vision of a modern industrialised India.

Because of the success achieved by the Institutes of Ahmedabad and Calcutta and the demand for more such Institutes, the government in 1972, set-up the third Institute of Management at Bangalore, and in 1984 the fourth one at Lucknow.

With the new economic reforms and the pressure for competing in international markets, it is likely that the role of professional management would become even more crucial in transforming the world of science, technology, finance and industry. The 'commanding heights' that were given to the industrial sector by Pandit Nehru in the early stages of India's development, in the form of public enterprises, is now being reduced and there is a shift in policy towards a greater role for private sector and emphasis on improved management and greater efficiencies. In the context of deregulation and market driven approach to development, there is likely to be even a greater demand for IIM graduates in the business, commerce and banking sectors of the economy.

#### 4.0 Mission of the Indian Institutes of Management

The major thrust of India's development strategy after Independence, was modernisation and industrialisation.

The first Five Year Plan of 1951 said:

"One comes inevitably to the conclusion that a rapid expansion of the economic and social responsibilities of the State will alone be capable of satisfying the legitimate expectations of the people. This need not involve complete nationalisation of the means of production or

elimination of private agencies in agriculture or business or industry. It does mean, however, a progressive widening of the public sector and a re-orientation of the private sector to the needs of a planned economy".

The commanding heights were given to the public sector and controls introduced to reorient the private sector to fit a centralised, planned economy. It is, therefore, not surprising that in conceiving the Institutes of Management, especially the first two, in Ahmedabad and Calcutta, the Mission statement in the Memorandum of Association stated:

- \* To provide for training in management and related subjects for persons from, industry institutions and bodies and associations connected with Industry and commerce.
- \* To meet the needs of Indian industry and commerce in respect of upto date information on management through research and publication of Indian management literature with particular reference to programmes of business enterprises in the country.

The Indian Institute of Management, Bangalore, which was established a decade later, in 1972, also defined its objectives as above. IIM-Lucknow, however, mentions "---- connected with industry, public service, utilities and selected institutions".

It is, therefore, clear that the mission of the Indian Institutes of Management as defined in their Memorandum was primarily to serve the needs of industry and commerce; to train young men and women for careers in management connected with industry, commerce and business enterprises; to undertake research and other activities to promote the effective management of such enterprises.

It was in the decade of the 80s, the so called lost decade, in terms of economic growth for most developing countries, that concerns were expressed about the direction of planning and development, about capital intensive strategies, poverty and unemployment, equity issues, the under-developed and under-managed sectors of education, health, welfare etc. The existing paradigms of development were questioned and greater attention to issues of poverty, unemployment, rural development were emphasised. It was in the context of these concerns that questions began to be raised as to whether IIMs (and IITs) were serving the purpose for which they were established. Questions were also raised, as to why government should subsidise the 'elites', and why dependence on government finances should not be reduced if the large majority of graduates opt for private sector and multinational jobs?

It may be useful to remind ourselves that the economic decline in the decade of the eighties was part of a wider problem of the international economic order where developing countries continued to find themselves enmeshed in external debts, extensive and growing protectionism and fluctuations of commodity prices in favour of the industrialised countries of the North. President Hurtado of Mexico, a member of the South Commission, voicing the concern of the third world leaders said:

"The 1980s not only represent lost time in terms of growth but backward steps have unhappily been taken. The South has been kept out of the economic decisions that most concern it. Our raw materials are bought at prices that are less and less remunerative while products with higher value added find their access blocked by artificial obstacles with political overtones"

Issues of excellence, equity and elitism, autonomy and accountability are deeply enmeshed with complex social and political concerns. In raising these issues in the limited context of

management education we are raising broader issues of the transformation of society, of the need for a social movement with strong social commitment. Policies and paradigms of development need to be questioned and reappraised in this context. The IIMs alone cannot compensate for the infirmities of development policies in general and this needs to be kept in mind in evaluating their performance.

#### 5.0 Review

#### 5.1 Overall

In general, the IIM's have done well and have played a leadership role in promoting management education throughout the country. Almost every University has a School of Business Management and many private institutions dealing with business or international management have sprung up. It is estimated that about 450 institutions of management training have been established in the country. An All India Board of Management Education has also been set up to provide norms and standards to cope with this mushroom growth. The IIMs have provided special teacher training programmes and have set up a Fellow Programme for training the new generation of management teachers.

Upto 1991, IIMA had produced 3,666 PGPs, IIMC - about 2,800, IIMB - 1,431 and IIML - 217 - a total of over 8,000 management graduates. IIMA had conducted over 450 MDPs, IIMC and IIMB over 250 each, and IIML nearly 30. IIMB and IIMC had each conducted over 200 incompany programmes. In addition to the two-year PGP, IIMC has a two-year non-residential certificate programme in general management since 1981. Over 300 'managers' have successfully completed this programme upto 1991. The Institutes have shared the teaching materials developed with other institutions. The IIM's have also undertaken special programmes for government officials, either as part of their own management development programmes, or in collaboration with other institutions, such as the Lal Bahadur Shastri Academy of Administration, Mussorie, or the Management Development Institute, New Delhi. In general, they have fulfilled a role of responsibility and shared their knowledge and skills in assisting other institutions to improve their quality and standards in management education.

In general, the quality of education at the IIMs have an international reputation. Also because they attract the very best talent in the country, in an economy where jobs are difficult to find, the graduates and 'Fellows' of IIMs have an easy access to good jobs. In general, the students have done well in their careers.

All the Institutes of Management in varying degrees find themselves under considerable pressure to provide for the many demands made on them for research and consulting advice on a wide spectrum of national problems, probably much more than they can competently and reasonably handle.

The Review Committee does not wish to convey that all the IIMs are doing equally well or that there is no scope for improvement. There are significant differences. Some IIM's are doing better than others, but in general, it can be said that the Institutes of Management have done well especially in terms of the mission given to them, that is, providing young managers for business, commerce and industry. Management education and training can also be for young entrepreneurs but the IIMs have not catered significantly to this group. The Review Committee was aware of a good deal of scepticism about the extent that IIMs had served Indian industry, particularly Indian capital. In some ways the Committee felt that the

scepticism was not entirely unfounded. If IIMs did not depend on public funds for their subsistence, some of the force of this criticism would disappear.

The Review Committee was critical of the fact that the IIMs have not paid sufficient attention to developing teaching material relevant to the Indian scene. IIM-A which had a commitment to developing contextually relevant case material as a medium of teaching has also slackened its efforts over the years. Research too seemed in many cases to be donor driven. What is required for a better understanding of managerial needs in India was research that could provide for conceptualisation and systematic search for superior practices in the Indian context. In general, the IIMs have been better at multi-disciplinary teaching than multi-disciplinary research. The Review Committee felt that a strategy to encourage and reward the development of teaching materials, and a policy related to excellence in research and consultancy integrated with teaching needs to be spelt out by the different IIMs.

## 5.2 Public Policy and Management Efforts

Although the primary mission of the IIMs was to serve commerce and industry, as mentioned in their memoranda, all these Institutes in varying degrees were concerned with strengthening some selected under-managed sector - education, health and population, agriculture, rural development, urban development, transport, energy, etc. The strategies followed and experiences gained in each case are discussed below:

#### 5.2.1 IIM-A:

In IIM-A, as early as 1963, the Institute established a core group to conduct research in agriculture related subjects. This core group later became the Centre for Management in Agriculture (CMA). It has a faculty of 24 and 18 research staff. The research efforts of CMA cover agriculture credit, animal husbandry, rural electrification, fisheries, poultry, forestry, rural health and nutrition. The CMA has also attempted to deal with the government/cooperative sector. In general, the focus is on research and policy related analysis. CMA also provides a specialisation package to PGP students in the second year seeking specialisation in agriculture management.

The CMA also offers training programmes for officials in development projects in agriculture, dairying, irrigation, and other related activities. They have also provided training programmes for managers in handlooms, and are preparing short-term training for development officers in irrigation and fisheries. At the request of the National Wastelands Development Board, CMA established a core group of eight faculty to study management problems related to social forestry, and helped Government of India in establishing the Indian Institute of Forest Management (IIFM), in Bhopal. Over the last 30 years, CMA has published 150 research monographs and 700 case studies.

Another effort at IIM-A is the establishing of a Public Systems Group (PSG) in 1975. The Public Systems Group unlike the CMA consists of dual membership, with one foot in the PGP, and the other foot in PSG. The PSG is the Institute's focal point for research and training relating to government and public systems, and NGO's. Major areas which PSG members are involved in are health and population, education, energy, transportation, and urban studies.

The focus and identity of this group was not clear to the Review Committee. It seems as if the faculty uses this base for donor supported research projects, which in general cannot be integrated with either CMA or PGP programmes. The tradition of researchers searching for a base to serve their individual research interests is probably what the PSG contributes.

#### 5.2.2 IIM-B:

IIM-B introduced in its two year PGP, sectoral courses in education, energy, transportation, environment and agriculture besides functional courses in management, such as finance, accounting, marketing, labour relations, production etc. The students after graduation, were expected to take only public sector or sectoral jobs. To serve the public sector, IIM-B initially allowed only public sector enterprises facilities for campus recruitment of their students.

The integration of functional and sectoral courses format, however, has not worked out well. There are too many diverse streams and the programme suffers from lack of depth. Neither the public sector, nor enterprises in education, energy, transportation, etc. were willing to hire young management graduates emerging from the PGP. Support and opportunities in career development in the public sector were inadequate. After a few years, pressures from the students forced the Institute to open its placement facilities to the private sector also.

The IIM-B also tried to launch a one-year education programme in energy management, but the response from Electricity Boards turned out to be very low. Even in nominating their officers for short duration MDPs, the Electricity Boards were reluctant and had problems. And yet the need for better management in energy, especially Electricity Boards is critical and has often been highlighted for attention of IIMs. Transforming need into a demand is a complex problem and not entirely in the domain of an educational institution.

The faculty identified several problems in relation to the Institute's policy to serve primarily the public sector. Besides the problem of developing an integrated curriculum, the Institute's faculty and students pointed out that although there is a need for good management in these sectors, there is no demand for its PGPs, or even MDPs from these sectors. They had to shift the focus of their PGP and student placement to sectors that were more open and attractive in terms of career development.

#### 5.2.3 IIM-C:

The IIM-C has organised its research activities, workshops and short-term training programmes through its Centre for Management Development Studies (CMDS). This Centre plays a coordinating role for sponsored research, and has three other Centres within it, namely, Centre for Rural Development Management Programmes, Centre for Studies in the Public Enterprise Management and Centre for Project Management.

The Centre for Rural Development Management Programmes has produced two volumes of a Directory of Organisations in Rural Development and two volumes of selected bibliography on Rural Development Management. It has also conducted short-term training programmes of one-week's duration for NGO's and has research proposals on health, rural poverty, and distance learning. These are projects sponsored by State governments as well as by foreign donors.

The Centre for Rural Development like the Public Systems Group in IIM-A, is a base of a few faculty members interested in rural development. It does not have a systematic or a sustained programme of research or teaching in this area.

The Centres at IIM-C are not formal initiatives with several faculty engaged full-time in training, research and field work in the chosen areas. They are coordinating agencies for faculty engaged in multiple and diverse activities. The activity levels vary widely with changes in faculty and the nature of funding.

#### 5.2.4 IIM-Lucknow:

IIM-L has identified the following thrust areas in socially relevant activities, namely, Entrepreneurship, Health Management and Rural Development. These areas seem to have largely emerged from sponsored research, consulting projects and interest of faculty. Examples of projects undertaken are Techniques of Hand-made Paper, Evaluation of Technical Training Schemes in Rural Areas, Study of Sickness in Small Scale Industries, etc. These projects were undertaken as sponsored research or consultancy.

Existing faculty of PGP are subdivided and identified as part of a given thrust area. It is not clear what is the time commitment of faculty to their given thrust areas, and on what basis they were selected and evaluated for their performance in the selected sector.

All IIM-L's Management Development Programmes are in the corporate sector, and are of only one week's duration. It is open to question as to whether these short term programmes could be given the status of management development programmes. There are no MDPs so far for the selected socially under-managed sectors.

#### 5.2.5 Sum up:

It is seen that the Institutes of Management in Ahmedabad and Bangalore with different strategies tried to deal with public policy and management aspects, especially the under-managed sectors. Both Institutes introduced differing measures to train students in the PGP and 'managers' through their management development programmes in the selected sectors with varying degrees of success. The IIM-C has shown some interest in Rural Development, but the training of students is almost nil and of managers very limited. And in IIM-L although the Institute has expressed interest in several public management areas, the programme of work is limited to sponsored projects and consultancy.

It is clear from the Review that if socially relevant sectors are to be served by the IIMs, it cannot be done in a 'laizze faire' manner, leaving it to the interest of individual faculty or donor driven research or available consultancies. The Institute must provide central leadership, develop a strategic plan for a programme in public management, recruit faculty especially trained in the relevant area of specialisation, and have a faculty size which is viable. Except for the CMA effort in IIM-A which also requires substantial streamlining and strategic choices formoving towards excellence, the efforts of IIMs in the public policy and public management area have been too diverse, too fragmented and faculty-centred. Some suggestions for strengthening the public management programmes in IIMs are in the next section. It is clear that a major overhaul and restructuring would be necessary if a serious effort in public management is to be pursued.

#### 6. 0 Future Directions:

The Review Committee in its wide-ranging discussions, identified four major areas in relation to future directions. These are:

- 1. Teaching Materials, Research and Consultancy
- 2. Strengthening Public Policy and Management
- 3. Governance
- 4. Finance.

## 6.1 Teaching Materials, Research and Consultancy

Although the Post Graduate Programme in all the Institutes are doing reasonably well, there is concern about the lack of emphasis on developing appropriate teaching materials and research that feeds into teaching. The PGP has developed a multi-disciplinarily curriculum, but multi-disciplinary research has not developed to any extent. It is important to recognise that in professional education it is not only acquiring the tools of management but skills in problem solving that need to be learnt. An understanding of processes as well as broader interactions between the political and economic system needs to be emphasised for better decision making. Relevant teaching materials and supportive research are at the heart of a successful management programme - and the 'heart' is weak.

The IIMs, and the management schools elsewhere, were a reaction against the long established programmes in public administration which dealt with vague generalisations e.g. delegation, leadership skills. The IIMs need to constantly question their interdisciplinary mix of courses and reappraise their teaching methods so as not to fall in the trap of teaching vague concepts and generalisations which cannot be practised. It is, therefore, important that the IIMs strengthen their commitment to teaching materials and relevant research.

Consultancy is an integral part of the activities of IIMs. The underlying assumption is that in professional education opportunities of practice in real and live situations would add to the effectiveness of teaching and research. The Review Committee, however, found that consultancy projects were often not related to the development of teaching materials nor did they contribute to the agenda of research. The Review Committee urges a clearer delineation of the objectives of consultancy, its relationship with teaching and research and better administrative measures for approval and rejection of projects.

Reviewing the working of consultancy activities in the IIMs, the Review Committee was aware of the many problems of administration and morale it has created. It, therefore, considered the posibility of abolishing individual consultancy as it is now operating. On the other hand, the Institutes countered that their ability to attract good faculty would be seriously affected if consultancy was abolished altogether.

The current practice regarding consultancy fees is that the faculty member shares it with the Institute - two-thirds for the concerned faculty member and one-third for the Institute. It is not clear whether this one-third covers even the overheads of the Institute.

The Review Committee recommends that all consultancy income should accrue only to the Institutes. Problems in attracting and retaining good faculty should be tackled by leaving the IIMs free to fix suitable faculty salary scales, subject to our recommendations on their financial self-reliance. They may also be left free to create more levels of faculty and encouraged to provide faster performance based career growth. In these matters, there should be uniformity across IIMs.

#### 6.2 Strengthening of Public Policy and Management

All the Institutes have in varying measures tried to deal with the public policy and management aspects of public sector, especially the under-managed sectors. They have promoted measures to train students, organise management development programmes for the 'managers' in the relevant sectors and have conducted research and provided consultancy. The most substantial intent in this regard has been in Ahmedabad, in their Centre for Man-

agement in Agriculture (CMA). It selects its own stream of students with degrees in agriculture and related subjects and experience. Although the first year training is common with the PGP students, they are given a package of courses for specialisation in agriculture management in their Second year. The CMA has done considerable client centred research, has published 150 monographs and produced around 700 cases for teaching.

The CMA, in our opinion, is the most serious attempt amongst the IIMs in dealing with public policy and public management issues. Even here there are some concerns relating to 'excellence' and quality.

The Public Systems Group (PSG) in Ahmedabad is another effort in this direction. It is an attempt to introduce public policy and public management issues in sectors such as health, education, energy, urbanisation, etc. But it remains a loose grouping of faculty interested in pursuing research in these areas without a strong central direction or vision. The research is largely donor driven for many national and international agencies willing to fund such projects. The experiences in HM-C and HM-L are similar. The faculty groups in public sector or other public systems is a loose conglomerate of faculty pursuing their research or consultancy efforts without a central focus or direction. They are unable to achieve the requisite thrust or impact.

Looking at the various experiences of IIMs it is our view that if public policy and management is to be promoted seriously, it will require strong central direction and a consistency of tone in mounting courses, research and teaching material - as was the case in the early stages of CMA's institution building process. Without a strong central direction and a resulting clarity of vision, there is the danger that the programme would inevitably be fragmented and be pulled in different directions. There is also the need to develop strong roots and loyalties amongst faculty which can only happen with a shared vision. But as a part of a larger 'faculty' (PGP) with a different mission it is likely to get diluted, and the institutional base does not develop adequately. The Public Policy and Management programme in each Institute must develop a strong identity of its own and the place must be able to stand on its own feet. If it is a part of a major programme with different objectives (PGP) it gets 'smothered' by other concerns.

Looking at various experiences of IIMs and other places, it is suggested that if the public policy and management education systems are to be seriously promoted it would require:

- (i) An integrated core curriculum.
- (ii) The programme has to be multi-disciplinary
- (iii) In the curriculum design of public management the emphasis should be on the context as much as on analytical tools. This will mean a heavy emphasis on the case method or other experience-based methods which bring out the contextual aspects as well as the value conflicts and politics of the situation. The difference is between an emphasis on tool acquisition and problem solving and an emphasis on processes as well as broader interactions between the political, economic and social systems.
- (iv) The programme should be a free standing entity. It can either be a separate institute of public management with its mission specially defined as such or as a free standing Centre within an Institute not as a peripheral activity.

- (v) The programme should offer a summer internship offering real experience in the selected public sectors and internship facilities should be available to the students.
  - (vi) The programme should have a separate degree.
  - (vii) It should have its own full-time faculty appointments.
  - (viii) In the admission policy there should be emphasis on experience in public service.
- (ix) The students should be 'streamed' separately to take account of significant differences in background, training, aptitude, and inclination.

Public policy and management is neither public administration, nor business management. It requires a different mix of subjects in its curriculum and a different kind of a student body and faculty. If the Institutes are serious about promoting public policy and management then the programme must have a coherence, an identity, an ethos and a style of its own. It must be sufficiently large, diverse and autonomous.

### Demand for Public Managers

It is clear that there is great demand for IIM graduates from private sector, banks and multinationals and that there is a growing market. However, the 'demand' and 'pull' from public sector and service enterprises is not there as it is from the private sector. IIM-B's experience clearly indicates that in the various sectors they worked in - energy, transport, urban planning, rural development, they experienced difficulty in placing their students and in promoting their MDPs. Review of experience has shown that although there is a need in these undermanaged or, more appropriately, 'mis-managed sectors', there is little demand for the well-trained managers on the same lines as from parts of private sector. Career opportunities in public management, conditions of recruitment and promotion need to be systematically studied with a view to creating this demand.

In this connection, the experience of the Institute of Rural Management, Anand (IRMA), is relevant to mention. Some of the IRMA graduates made a choice to work in the DRDAs in rural areas. They wished to convert their idealism into motivated professionalism. In spite of good and well appreciated work there were no opportunities of advancement for them because the first and second level jobs in the DRDAs were reserved for IAS and State-level government officers. After a few years most of them left because of the existing system of "reservations". The motivation to serve was there but the system denied them access to be a useful and an integrated part of the system. The problem of `placement' for IIM graduates in public sectors or government jobs is part of a complex problem of access to jobs and career development in the large scale bureaucracy that pervades most social and economic sectors. IIM graduates must have clear cut access to jobs in public systems where their skill and training will be more beneficial to the organisations compared to Government officials on deputation or tenure assignments. This is all the more important in cooperative organisations, public sector agro-processing units, State level public sector undertakings and agencies involved in development programmes.

Another example is that of the Indian Institute of Forestry Managment (IIFM) set up by Government in Bhopal to provide management and policy skills for forestry development corporations and social forestry projects. Here again, access to government jobs has been made difficult for IIFM graduates by the existing policy of keeping the system closed to only its own members.

For the most part those students will elect to go in for a degree in public policy and management, who wish to make the world a better place. They will enroll in the programme because of their interest and motivation to serve. After their selection, the mix of courses will provide them the contextual and conceptual understanding to deal more effectively with public management issues. And there are many such young men and women who seek such opportunities to convert their idealism into professional action. A separate programme in public management should be considered. It is important that IIMs strengthen their expertise and commitment to public service and public management.

#### 6.3 Governance

The governance of the Indian Institutes of Management is through their respective Board of Governors. The composition of the Board is more or less the same in each case except for some minor variations. The Board of IIM-A consists of 25 members; IIM-B of 26 members; IIM-C 22 members and IIM-L 26 members.

The Chairman of IIM-A and IIM-C is appointed by the Central Government in consultation with the respective State Governments. In the case of IIM-B and IIM-L, the Chairman is appointed by the Central Government and does not require consultation with the State Government.

The Board approves the budget and the appointment of the faculty; but it seldom deliberates on substantial issues of policy and strategy. Institutional concerns of autonomy, of raising resources, of providing access to research opportunbities, strengthening the application of the institute's talent and expertise to other sectors of national relevance do not seem to have come up for systematic discussion and consideration of the Board. From our discussion with the Directors of the IIMs, it was not clear as to what role the Board played in establishing and nurturing the future vision of the institutes.

The Committee is of the view that the Board should play a greater role in policy formulation and for providing strategic directions. The Board's primary function is governance. It should not be required to deal with routine administrative issues. While the considered views and ideas of the faculty should be represented before the Board by the Director and the faculty nominees on the Board, the ultimate responsibility for long-term vision, for policy formulation, and for developing strategies for development and growth of the institutes must rest with the Board. In order that the Board could perform the role envisaged for it, it would need certain structural changes. The Review Committee recommends the following changes in the structure of the IIM Boards.

- a) The size of the Board should be reduced to a total of 15 Members. The existing IIM Boards are too large and unwieldy.
  - b) Board members, including the Chairman, should be appointed for a three year term.
- c) No person should be eligible for appointment to the Board including the Chairman for more than two terms.
- d) One-third of the Board Members, should retire by rotation every year. (This will not apply to ex officio members viz., the Government representative and the Director.)
- e) The Board should nominate the new members in place of the retiring members, except for such new members who are elected/appointed by specific constituencies as per Board composition recommended below.

- f) The composition of the Board is recommended as follows:-
- 1) Chairman to be appointed by the Central Government on the recommendation of the Board.
- 2) One representative of the Government of India from the Ministry of Human Resource Development to be invited by the Board.
  - 3) A Director of another IIM to be invited by the Board.
  - 4-5)Two Senior Members of the Faculty nominated by the Chairman.
  - 6-7) Two Members to be elected by the General Body of the IIM Society.
- 8) President or a representative of the Alumni Association of the Institute to be invited by the Board.
- 9-11)Three Members representing the client Sector including one representing public policy and public management concerns to be appointed by the Board.
  - 12-14) Three outstanding intellectuals to be appointed by the Board.
  - 15) Director of the Institute Ex-Officio.

For constituting the initial re-structured Board, the first Chairman and Board Members shall be appointed by the Government of India including the members elected or appointed by the IIM Society. The Board will determine a mechanism whereby they will identify which members will retire after the first year, which members will continue for the second and third year. (In many national and international organisations, this is done by drawing lots. Thereafter the Board will have the responsibility to fill up the vacancies arising out of annual retirement of members. (Please see para below for appointment of Chairman.)

The Chairman and Members of the Board should be carefully chosen so that their willing and active involvement in the Institute's functioning would be possible; for their eminence and high professional reputation, and their ability to contribute to the governance of the Institute. In order to enable the Board to select outstanding persons as its members from time to time, the Board may evolve a well-thought out mechanism for processing nominations such as consideration of names by sub-committee of Board Members, inviting suggestions from various quarters indicating the qualities and achievements sought of the persons to serve as Board Members.

After the first Chairman of the restructured Board has completed his term as per initial appointment by government, we recommend that the successive Chairmen of the Board may continue to be appointed by the government but on the recommendation of the Board. The Government may have the right to decline approval of the name recommended by the Board and in that eventuality, the Board may recommend another name. The government's approval or disapproval, as the case may be, shall be communicated to the Board within two months of the receipt of the Board's recommendation. In the absence of a newly appointed Chairman and pending government's approval, the Board should elect one of its own Members to serve as Chairman for the time being.

The IIM Directors are at present appointed by the Board but with the approval of the Central Government. The tenure of appointment is five years. The government follows the usual

procedure for senior level appointments such as processing the case for approval of the Appointments Committee of the Cabinet etc. We consider that the tenure of the Director should continue to be five years. The Review Committee is aware of the long delays in the appointment of regular Directors and the difficulties faced by Government at times in processing the approval of the names recommended by the Board. Keeping in view that the IIM Boards can govern effectively only if they are the ultimate repository of all authority within the Institute, we would recommend that the Director be appointed by the Board without any reference to the Government. The Directors' role and authority should be strengthened with a view to ensuring more orderly management of the Institutes. Stronger and more committed Boards would enhance the Directors' ability to manage the Institutions for greater productivity and usefulness.

#### 7.0 FINANCE

### 7.1 Dependence of IIMs on Government Grants

The IIMs have both non-plan and plan components in their annual budgets. The non-plan component of the funds is generally for maintenance of the normal activities of the Institutions. The non-plan budget includes provision for salary and allowances, scholarships to students, maintenance of buildings, travel and contingencies. The plan budget is largely for creation of additional infrastructural facilities such as classrooms, hostels and residential accommodation for faculty. Some portion of plan funds are also utilised for certain academic activities such as Specialised Centres, Seminars/Conferences, library books and journals etc.

Government provides the non-plan funds as annual grants after taking into account the internal income of the Institutes. The plan funds are provided by Government on the basis of the Five Year Plan allocations for development of the IIMs.

There has been a steady increase in the level of annual maintenance grants provided by the Government to the Institutes. The grant to IIM, Ahmedabad was about Rs.167 lakhs in 1985-86 and by 1990-91, it was of the order of Rs.310 lakhs. In the case of IIM Calcutta, the non-plan grant was increased from Rs.130 lakhs in 1985-86 to Rs.272 lakhs by 1990-91. The grant to IIM Bangalore during this period was increased from Rs.147 lakhs to Rs.210 lakhs. The IIM Lucknow did not have a Non-Plan component during the period 1985-86 to 1989-90 as it was in the development stage. However, in 1990-91 government provided a sum of Rs.115 lakhs for the maintenance expenditure of this Institute. While IIIM Ahmedabad could meet about 55% of its maintenance expenditure from internal revenues, the other two institutions at Calcutta and Bangalore could meet about one third of the expenditure from its own resources.

The existing practice is that the maintenance budget of a particular year seeks to accommodate a modest and reasonable increase on the budget of the previous financial year by taking into account the increase in salaries due to pay revision or hikes in allowances as per government orders and escalation of maintenance costs due to inflation. The annual non-plan budget is scrutinized mainly from the point of view of government orders on revision of salaries, increase in dearness and other allowances, pay fixation rules, medical reimbursement, creation of additional posts, replacement of vehicles, etc. In such a situation a steady growth of maintenance expenditure every year is accepted as an inescapable fact.

During our discussion with the IIM Directors and faculty members, we noticed their awareness of the need for containing the maintenance expenditure of the Institutes, for

reducing their dependence on government funds and for greater cost effectiveness of their programmes. There is also an increasing realisation that the cost of management education and training should not be so heavily subsidised as at present by the government and that the direct and indirect beneficiaries of the system should bear a sizeable portion of the cost.

#### 7.2 Measures To Limit Annual Maintenance Cost

The IIMs are heavily over staffed. This not only raises their running cost but also makes their orderly management difficult. Staff problems, frustrated work force and inefficient administration must be avoided by the very institutions which were created to advise industry on how to avoid such problems. The IIMs should try to reduce their work force specially at lower levels. In any case new recruitment should be stopped except at faculty levels with a view to bringing down the ratio of faculty to non-faculty staff in the long run to the level of 1:3. The IIMs may also be helped to offer a voluntary retirement scheme to enable them to reduce their staff strength and with a view to lessen the burden of salary payments in the long run. Other measures like medical insurance of staff rather than reimbursement, loans from concerned financial agencies for building faculty and staff housing etc. could be resorted to if these are more economical and could lessen the burden on annual budget. We are of the view that the annual budget of the Institutes should be carefully scrutinised for each activity or function through an appropriate mechanism with a view to identify the scope for eliminating wasteful or non-productive or otherwise avoidable expenditure and continuously review measures for generating additional internal resources. Specific time targeted goals should be set for each IIM to plan and limit its annual non-plan budget and expenditure by the Finance Committee and the Board. The IIMs which adhere to and achieve such targets may be encouraged to retain the additional resources generated over and above government grants.

# 7.3 Steps For Augmenting Internal Resources

There is an urgent need for the IIMs to evolve and implement a package of measures for augmenting their internal income. The expectation that the Government would or can support without limit the maintenance budget of the Institutes is untenable in the current context of financial stringency. The reported thinking of government to freeze the non-plan maintenance grant of the institutions at the level of 1991-92 during the period of 8th Plan has brought home the urgency for the IIMs to augment their own resources. The Committee does not wish to go into the general question of subsidisation of higher education by government. However, during discussions with IIM Directors and faculty members, the Committee believed that there is good scope for taking up a variety of measures by the Institutions for raising their internal revenues. Such measures may include upward revision of the fee structure; charging 'recruitment fee' from client organisations for campus interviews and placement of IIM Graduates; recovery of full operational cost including a reasonable percentage to cover overheads of MDP and other organisation-based programmes; adequate steps for augmenting research and consultancy revenue to the Institute; strong linkages with industry which may take the form of financial support to the IIMs particularly by contributing to the Corpus.

#### 7.4 Educational Loans/Scholarships

In order to mitigate the impact of revising the fee structure on talented students coming from economically weaker sections, the Committee would recommend that the government should have a scheme of providing educational loans to the needy students through the banks. The existing system of merit-cum-means scholarships for weaker section students should continue to be financed by the government.

#### 7.5 Towards Financial Self-Reliance

Functional autonomy is essential for the IIMs, if they are to retain and enhance their capacity for excellence. Such functional autonomy is not possible without financial independence. The present system of determination of government grants annually is not conducive to adoption of practices of sound financial management within the IIMs. In this context the present method of determining the annual grants on the basis of deficits and by a notional percentage increase over the previous year should in our view give place to a system of Block Grants determined for a period of five years on the basis of a clear estimation. In case the government finally decides to freeze the non-plan maintenance grant of the IIMs at the 1991-92 level, it will be advisable that the funds for five years be given as a block grant with financial flexibility to the Institute to deploy the funds in the best productive manner and free from the shackles of rules, regulations and instructions of government.

The Committee is of the view that steps should be taken to build up a Corpus Fund for each institute during the period of the next five years. The goal should be to reach a Corpus Fund of such size that the interest proceeds thereof could be utilised to finance the gap between internal resources and annual maintenance expenditure of each Institute, without having to depend on government grants from the sixth year onwards. The Corpus should be made up of contributions by government, industry, both in the private sector and the public sector; contribution by Alumni, philanthropic and other organisations. Each institute may set up a Task Force under the Chairman with a time target for realising the Plan for a corpus fund. To begin with the government may consider releasing the Five Year Plan outlay to each Institute as its contribution to the Corpus. The Corpus when fully subscribed may be managed by an independent Trust of which the Chairman of the Board and the Director shall be ex-officio Chairman and Member-Secretary and other Members nominated by Chairman from those contributing Rs.one crore or more.

#### 7.6 Future Government Grants Limited to Priority Sectors

After the Institutes have become financially independent, through the package of measures recommended above, continuation of the grants-in-aid support by the government of India can be directly linked and limited to the extent to which IIMs take up programmes and contribute to sectors considered high priority and of social relevance by the government or programmes which government may specifically ask the IIMs to execute including collaborative programmes with foreign governments, institutions and multi-lateral agencies. In respect of programmes in the area of public systems management on the lines discussed elsewhere in this Report, funding by government would seem to be unavoidable till an effective demand for well trained management personnel is generated in these sectors of the economy and the IIMs can then recover the full operational cost of the programmes from the beneficiaries.

#### 8.0 Recommendations

#### 8.1 Mission

1. The Mission of the Institutes of Management to strengthen management in business, industry and commerce is still relevant. In some ways it may have become more relevant in the context of new economic trends. It is therefore desirable to reaffirm the Mission of the IIMs in business, industry and commerce.

- 2. The Mission statement, however, needs to be expanded to emphasise IIMs commitment to public service and public management.
- 3. Career paths in government and other public services need to be opened to provide career opportunities to trained professionals in public policy and public management. The 'demand' for management graduates in the undermanaged sectors should be systematically studied and policies for opening these positions should be examined and pursued.
- 4. The Post Graduate Programme (PGP) is doing well and should not be diluted to serve other public sector needs that cannot be appropriately integrated. The IIM-B should separate its public management sectors from its PGP to strengthen it further.

## 8.2 Teaching Materials, Research and Consultancy

- 5. The inter-relatedness of teaching, research and consultancy needs to be better emphasised for greater synergy. Choices in approving research and consultancy must be exercised to strengthen their interconnectedness and mutuality.
- 6. There should be much greater emphasis on the development of relevant teaching materials and research. Appropriate policies and rewards should be initiated to strengthen this aspect of IIMs functioning.
- 7. Consultancy assignments should be selectively accepted by the Institutes. A clearer delineation of the objectives of consultancy, its relationship with teaching and research and better administrative measures for approval and rejection needs to be worked out.
- 8. The present practice of sharing consultancy income with individual faculty need to be discontinued. Instead, all consultancy income should accrue only to the institutes. Depending on the financial position, they should be left free to enhance faculty salary scales and offer faster, performance based career growth to attract and retain good faculty, subject to uniformity across IIMs.

# 8.3. Public Policy and Management Systems

- 9. The Centre for Management in Agriculture in IIM-A should be further strengthened, and its mandate should be more clearly defined. Excellence needs to be emphasised, rather than quantum or range of output. Further, IIM-A should withdraw from other public sectors not directly connected with its central mission.
- 10. The IIM-B has pursued sectoral programme in public systems as part of its PGP programme. It is recommended that they organise a separate stream in public management and not combine it with the PGP or fragment these into many sectors. Some choices will have to be made and IIM-B could consider energy and transportation, or panchayati raj, or urban planning and transportation, but should not attempt to do everything.
- 11. The Centre for Rural Development Management in IIM-C is much too small in effort to consider it as a serious institutional involvement in rural development. Unless a substantial institutional effort can be made, IIM-C may reconsider its involvement in rural development management. Further, it should explore the possibility of systematically serving urban planning and management sector or any other under-managed public sector relevant to its environment.

- 12. The IIM-L's programmes in public systems have still to find its feet. But they need to learn from the experience of other Institutes and keep their role in public policy and management well focussed on areas such as primary health, education and should be sufficiently serious to lend central leadership for a viable and ongoing activity of the Institute.
- 13. IIM-L should also re-examine its strategy for its management development programmes. Some serious investment in MDPs would be necessary to strengthen its overall thrust in management education.

#### 8.4 Governance

- 14. The IIMs need greater autonomy and a different mix of Board Members if it is to play a more meaningful role in developing a future vision of the Institutes and also to deal with their financial and administrative problems.
  - The size of the Boards should be reduced and should not be more than fifteen.
- 16. The Chairman of the Board should be appointed by the Government of India on the recommendation of the Board. In the absence of a newly appointed Chairman and pending Government's approval, the Board should elect one of its own Members to serve as Chairman for the time being.
- 17. The Board Membership should be for a three year period and could be extended for another term of three years.
- 18. One third of the Board Members shall retire by rotation every year. This will not apply to ex-officio Members viz. the Government of India representative and the Director.
- 19. The Board shall nominate the new Members in place of the retiring members so that there is both continuity and change.
- 20. The Board invites a Government representative from the Ministry of Human Resource Development; a Director of another IIM; three Members representing client sector including at least one from the relevant public management sector and three outstanding intellectuals.
- 21. The Board will also have two faculty nominees appointed by the Chairman; two members elected by the General Body of IIM Society and a representative of the Alumini Association of the Institute.
- 22. The Chairman and Members of the first reconstituted Board shall be appointed by the Government of India.
  - 23. The Director's appointment should be by the Board and not by the Government.

#### 8.5 Finance

- 24. Each IIM should work out a package of measures both for containing its annual maintenance expenditure on the basis of grants available from the Government of India and also for augmenting its internal income to be retained by the Institutes over and above the Government grants.
- 25. The government should take a flexible view in providing financial support to the different IIMs and encourage the Institutes to pursue vigorously revenue generating, cost cutting and fund raising efforts. The non-plan maintenance grants may be provided as Block Grant for a period of five years.

- 26. Steps should be taken to build up a Corpus Fund for each Institute during the next five years. The Interest proceeds from the Corpus Fund shall be utilised to finance the gap between the annual maintenance expenditure and the internal revenues of the Institute without having to depend on government grants as and when the Corpus is fully subscribed.
- 27. Government may initiate the creation of the Corpus Fund by releasing the 8th Plan outlay for each IIM as its contribution to the Corpus. Each Institute may set up a Task Force for realising the Corpus Fund Plan.
- 28. After the Institutes have become financially self-supporting with the creation of the Corpus Fund and the package of measures for augmenting its internal resources and cutting down cost, the government grants may be limited to programmes considered high priority and of social relevance by government including in the area of public system management.



## Appendix - I

Terms of reference and Members of the Review Committee for Indian Institutes of Management at Ahmedabad, Banglore and Calcutta appointed by the Government of India on November 28, 1979.

#### Terms of Reference:

- 1. To review the working of the three IIMs in all respects since their establishment as centres of advanced education and research in Mangement.
- 2. To report on their organisational and administrative structures in relation to the aims and objectives with which the Institutes have been established and
- 3. To advise on the broad lines of future development of the Institutes and to make recommendations on any other aspects regarding the development of management education training and research.

#### Committee

Shri H P Nanda Chairman
Chairman and Managing Director
Escorts Limited, New Delhi

Dr S Varadarajan Member
 Chairman and Managing Director
 Indian Petrochemical Corporation Ltd, Baroda,

2. Dr S Muthukumaran Member
Deputy Education Adviser (T)
Ministry of Education Shastri Bhavan

3. Shri Ajit Kerkar Member Chairman and Managing Director India Hotels Limited, Bombay

4. Shri Mohd. Fazal Member
Chairman and Managing Director
Engineering Projects (India) Limited
New Delhi

5. Prof. G R Damodaran Member
Vice Chancellor
Madras University
Madras

6. Dr P K Narayanaswamy Member
Chairman and Managing Director
Fertilisers and Chemical (T) Limited
Udyougmandal, Kerala

7. Shri Prem Pandhi Member
Director
International Management Institute
New Delhi

- 8. Shri J Sen Gupta
  Managing Director
  Chloride India Ltd
  Calcutta
- 9. Shri K R Sivaramakrishnan Joint Adviser (Education) Planning Commission New Delhi

Member

Member Secretary



# Appendix 2

# Major R commendations of the Nanda Committee

#### 1. Governance

Membership of IIM Societ s to allow for differential subscription so as to include persons belonging to user groups, academics, professionals and scientists. Societies must act as promotors of major policies towards achieving relevance and excellence (29)

Chairman of the Board should be one who is a successful manager with proven commitment and interest in organisations, a distinguished academic with administrative experience, or an administrator with experience in educational management, who is committed to the furtherance of management education and research and has adequate time to spare (29).

A locally-based member, interested in management education and training and is able to devote his time to attend meetings and the work connected with the Institute, be nominated by the Chairman as the Vice-Chairman of the Board (30)

A Managing Committee, of not more than 10 members, chaired by the Vice-Chairman, to meet between Board meetings at the instance of the Director, to attend to routine administration and more importantly, to review of academic work (30)

An academic committee be constituted to advise the Board of Governors in all academic matters including research, quality in academic matters, identifying potential faculty members and promoting specific areas of research (31)

# 2. Objectives

Should include training and education of

- i) managers for public utilities and services
- ii) management teachers

#### 3. Activities

Increase PGP intake to 180 at Calcutta and Bangalore (5)

Intake to FPM be at least 15-20 per year. Provide single as well as married accommodation to all FPMs (17)

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(Number in parenthesis refers to para number in "Summary and Recommendations" of the Nanda Committee Report, 1981.)

Increase MDPs, new programmes to be original, novel, based upon national needs (19)

Adequate funding for research to be provided without soliciting project funding and consultancy research to be both basic and applied (24 & 25)

IIMs should act as mother institutes and foster the growth of other management institutions in the country (37)

Faculty development programmes to be started by all IIMs (46)

Urgent necessity to develop expertise in international management, and offering of educational and training programmes in International management to be encouraged (47)

Foster a climate for research. Special funding for the purpose of exchange of research faculty with other institutes in the country and with Universities abroad (26)

Add to Indian teaching materials each year so that country benefits (8 and 23)

# 4. Faculty Development

Institute should draw up systematic training programmes for their newly recruited faculty members, devise methods of assessing periodically the training needs of faculty members, plan and send them for such training (21)

Assess faculty work load and see that maximum targetted amount of time is devoted to teaching and research (22)

# 5. Finance and Autonomy

Government control should be progressively reduced as each Institute becomes more and more self-reliant (38)

